



# IRAQ Status Report

U.S. DEPARTMENT OF STATE  
Bureau of Near Eastern Affairs  
Iraq Policy & Operations Group

A BIWEEKLY REVIEW OF DEVELOPMENTS IN IRAQ

UNCLASSIFIED

FEBRUARY 17, 2011

## KEY DEVELOPMENTS

- [Possible Effect on Iraq of Events in Egypt](#)
- [Iraq and Kuwait Address Maritime Issues](#)
- [Ambassador to Iraq, Commanding General Address Senate Committee](#)
- [New Compound to Expand ISF's Area of Operation](#)

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## Egypt and Iraq

Many Iraq experts and observers have been considering what impact events in Egypt and elsewhere in the region are likely to have on Iraq. With an inclusive government that is representative of the votes cast by 12 million Iraqis during the March 7 democratic elections, Iraq stands in contrast to many states in the region. However, Iraqi society shares some key elements with other Arab countries that will need to be addressed by its leaders. Iraq has a youthful population with high economic expectations and limited tolerance for official corruption or for the unreliable delivery of essential services, especially electricity. There have been reports of some protests over lack of services and corruption that may, at least in part, have been inspired by events in Egypt. Protests over issues like services have occurred in the past, and we should expect to see them in the future, but these are protests of a different size and character than those we have seen in Egypt. Prime Minister Maliki appears to have taken notice of the events in the region. He recently announced that he may not seek a third term as PM, and has ordered that his salary be cut by half. Maliki has also emphasized that improvements in the delivery of electricity and other services, job creation, and other efforts to strengthen Iraq's economy are top priorities of the new government. (Department of State Iraq Office information)

## Baghdad-Erbil Agreement on Oil Exports

In late January, the Iraqi central government and the Kurdistan Regional Government (KRG) agreed to restart oil exports from two producing oil fields in Iraq's Kurdistan Region. While initial output will be about 10,000 barrels per day (bpd), this will potentially increase to 100,000 bpd by the end of the year, providing much-needed additional revenue for the Iraqi government. Exports from the two fields, Tawke and Taq Taq, were briefly allowed in June 2009, but were

halted three months later following disputes about how the companies operating the fields would be paid. Under the new agreement, the central government will pay the companies for operating costs. Baghdad and Erbil have yet to agree, however, on how to handle revenue earned from these fields in excess of what is needed to pay companies to cover their operating costs. (Department of State Iraq Office information)

**Ambassador to Iraq, Commanding General Address Senate Committee:** The Senate Foreign Relations Committee held a hearing on February 1 titled "Iraq: The Challenging Transition to a Civilian Mission." Both Ambassador Jim Jeffrey and General Lloyd Austin attended the meeting to testify before the panel. Senate Foreign Relations Committee Chairman John Kerry (D-MA) emphasized the necessity of a "whole of government" approach, specifically better integration between the Departments of State and Defense, and "a greater willingness from Congress to provide the financial resources necessary for success by supporting our diplomatic efforts with the same vigor that we devote to our military mission." Senator Kerry also noted that in the coming weeks, he will explore the possibility of a multi-year authorization package for Iraq to cover all of the necessary expenses. Ambassador Jeffrey and General Austin also assured lawmakers on the U.S. diplomatic mission in Iraq will be well protected after U.S. troops withdraw in late 2011. (Senate Foreign Relations Committee, February 1, <http://foreign.senate.gov/hearings/hearing/?id=a421f9a1-5056-a032-52ae-3e2b956077c2>; Senate Foreign Relations Committee, February 1, <http://foreign.senate.gov/press/chair/release/?id=de3f68c1-2db2-4c9b-b062-935955ce9019>)

**Iraq and Kuwait Address Maritime Issues:** Iraq and Kuwait have agreed on ways to resolve disputes that arise when Iraqi fishermen enter what Kuwait alleges are its territorial waters, Government of Iraq spokesman Ali al-Dabbagh said on February 1. Dabbagh's remarks follow a January 10 clash between Kuwaiti coastguards and Iraqi fishermen that left one Kuwaiti dead. Kuwait's interior ministry said the clash began when the fishermen entered its territorial waters. "We have put in channels to avoid cases where our fishermen are subjected to difficulties and problems while doing their job," Dabbagh said. "We have implemented channels of communication with the Kuwaitis...they have set up a way for our fishermen to know their limits (geographically), and if there are any problems, there are open and clear channels to resolve them." Dabbagh said that they had reached an agreement when Kuwaiti Prime Minister Sheikh Nasser Mohammad al-Ahmad al-Sabah visited Baghdad last month. (AFP, February 1, <http://www.google.com/hostednews/afp/article/ALeqM5hWCF7SXhOI2QNcE-K5AoMFgFYAcw?docId=CNG.30ff0b57ab72bd5eaa39bfcd8d0f2119.b81>)

**New Compound to Expand ISF's Area of Operation:** The 3rd Armored Cavalry Regiment and representatives of the 2nd Battalion, 31st Iraqi Army Brigade, signed official documents February 5 that will provide Iraqi Security Forces (ISF) a new compound on Contingency Operating Site (COS), Kalsu. Planning for the compound began in November 2010, and a piece of ground within the COS was selected and prepared for the layout of the site. Once the ISF has settled in, the compound will allow for closer and more frequent training with USF-I and it will expand the area of operation for ISF. (USF-I, February 8, <http://www.usf-iraq.com/news/headlines/document-signing-opens-compound-to-iraqi-army>)

### *Other Headlines*

**Speaker of Parliament Rejects Supreme Court Ruling on Independent Institutions**  
([Alsumaria](#), February 3)

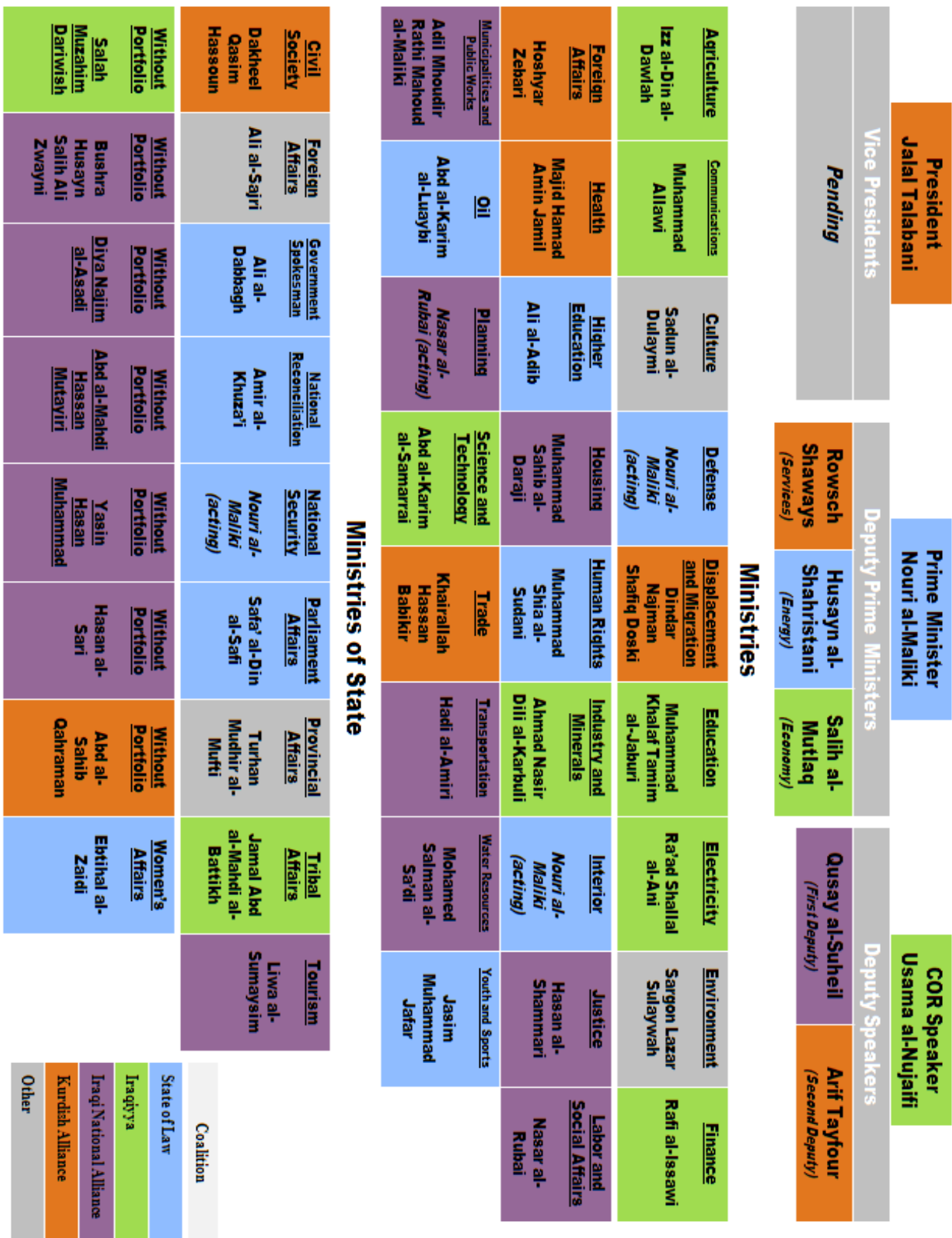
**Tariffs to Increase on Select Goods** ([The Citizen](#), February 9)

**Iraqi Scholars Discuss Rebuilding Iraqi Education System at Conference** ([Jordan Times](#), February 2)

### *PRT Updates*

Although the U.S. Military has drawn down to approximately 50,000 personnel in country, a key mission of the units that remain is the support of the sixteen Provincial Reconstruction Teams (PRTs). The PRTs, who lead the Department of State's efforts at developing provincial capacity and conflict mitigation along key fault lines, depend on the U.S. Military to accomplish their mission. The U.S. Military has not only maintained its previous level of support to the PRTs, but has increased interagency cooperation by establishing that direct assistance to the PRTs be the primary goal of the Advise and Assist Brigades (AABs). In Basrah, the PRT is working with USD-S to enhance higher education and cultural cooperation in accordance with the Strategic Framework Agreement (SFA). The 36th Infantry Division band, whose members are all music teachers and professors in their civilian lives, and PRT Basrah have an ongoing relationship with the Basrah University College of Fine Arts Music Department. As a result of this relationship, the PRT and 36th infantry division are developing a series of lectures and performances for the Music Department that will be given over the next 4-6 months. Additionally, PRT Basrah is working with USD-S to supply military dentists for a guest lecture series at the Basrah University Dental College. PRTs will wrap up operations as the brigades continue to draw down over the next eight months, between June and September according to an agreed upon timeline. As the PRTs close, established relationships in the provinces will be maintained through a variety of measures, including contact from Embassy, Consulates, and Embassy Branch Offices (EBOs), locally engaged staff, and using networks of trained Iraqis developed by USAID and others over the more than seven-year period of assistance efforts in Iraq. (Department of State Iraq Office information)

## Government Organization Chart



Source: Department of State, NEA Political Section, NEA-I-POL-DL@state.gov

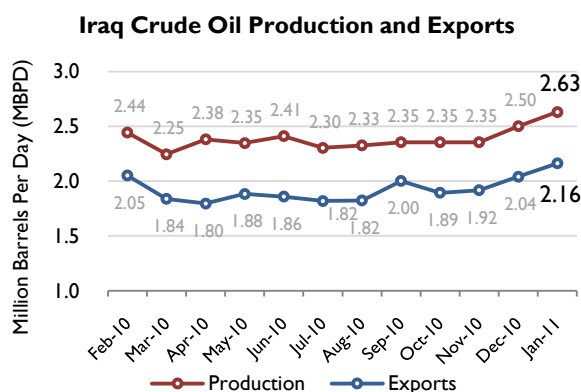
## *Refugees Update*

- There are over 208,000 Iraqi refugees currently registered with the UN High Commissioner for Refugees (UNHCR) in neighboring countries and an undetermined number of unregistered refugees. UNHCR reports that 1.5 million Iraqis remain internally displaced due to sectarian violence following the Samarra Mosque bombing of February 2006.
- Since the beginning of 2008, over 515,000 Iraqis have returned to their neighborhoods in Iraq. The majority of the Iraqis returning were internally displaced persons.
- In FY10, the U.S. Government contributed \$355.8 million to international and non-governmental organizations to assist Iraqi refugees, internally displaced, and conflict victims.
- Since the program's inception in FY07, over 52,280 Iraqi refugees have been admitted to the U.S. for resettlement.
- As of September 2009, a total of 1,143 Special Immigrant Visas (SIVs) have been issued for Iraqi translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).
- As of September 2009, a total of 1,716 SIVs have been issued for Iraqis employed by the U.S. government (and their dependents) since FY08 (under the Section 1244 program).

## *Current Economic Indicators*

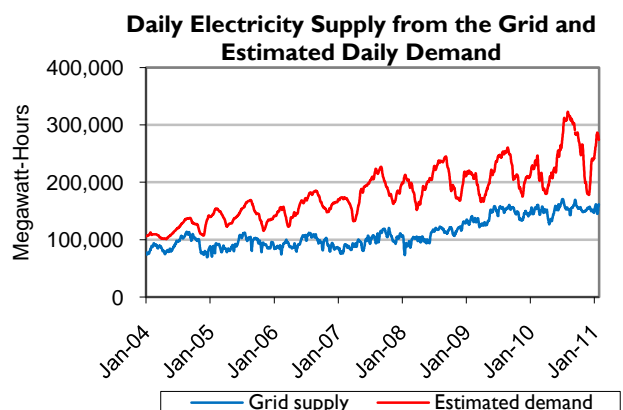
### Crude Oil Average Closing Prices (February 7-February 11)

Basrah Light \$96.16/bbl || Dated Brent \$100.57/bbl || WTI Cushing \$86.69/bbl || Oman/Dubai \$96.81/bbl



2010 Oil Revenue: \$51.4 Billion (est)

2011 Oil Revenue: \$5 Billion (est)



January supply of electricity from the grid was 2% above 2010 and met 57% of estimated demand compared with 66% for the year-earlier period.

Source: Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

### **Key Facts & Figures**

- Oil = 90% of government revenue and 80% of foreign exchange earnings
- Inflation: The Central Bank of Iraq (CBI) has successfully held the exchange rate at approximately 1,170 Iraqi dinar/US dollar since January 2009.
- Debt: \$52.58 billion as of December 31, 2010, compared to \$73 billion for 2009

Key Indicator	2010	2009	2008	World Ranking
<b>GDP:</b>	\$117.7 billion	\$111.5 billion	\$106.7 billion	44 <sup>th</sup> (2010)
<b>GDP per capita:</b>	\$3,600	\$3,600	\$3,500	162 <sup>nd</sup> (2010)
<b>Unemployment rate:</b>		15.3%	15.2%	153 <sup>rd</sup> (2009)
<b>Population below Poverty Line:</b>			25%	
<b>Inflation rate:</b>	4.2%	6.8%		122 <sup>nd</sup> (2010)
<b>CBI discount rate:</b>		8.83%	16.75%	16 <sup>th</sup> (2009)
<b>Commercial Prime Lending Rate</b>		15.64%	19.5%	21 <sup>st</sup> (2009)
<b>Market Value of Publically Traded Shares</b>	\$2.6 billion	\$2 billion	\$1.878 billion	94 <sup>th</sup> (2010)
<b>Exports</b>	\$49.1 billion	\$40.86 billion	N/A	54 <sup>th</sup> (2010)
<b>Key Exports:</b> crude oil (84%) of total; crude materials excluding fuel, food, and livestock				
<b>Export Partners:</b> U.S. (27.62%); India (14.45%); Italy (10.14%); South Korea (8.62%); Taiwan (5.61%); China (4.23%); Netherlands (4.13%); Japan (3.99%) (2009 figures)				
<b>Imports</b>	\$42.56 billion	N/A	\$50 billion	51 <sup>st</sup> (2010)
<b>Key Imports:</b> food products; medicine; manufactured goods				
<b>Import Partners:</b> Turkey (24.99%); Syria (17.36%); U.S. (8.66%); China (6.79%); Jordan (4.17%); Italy (3.98%); Germany (3.97%) (2009 figures)				

**\*Source: CIA World Factbook**

**For additional information, please see:**

- **Department of State, Iraq Status Reports**  
<http://www.state.gov/p/nea/rls/rpt/c28010.htm>
- **Department of State, Section 1227 Report on Iraq**  
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**  
[http://www.defenselink.mil/home/features/Iraq\\_Reports/index.html](http://www.defenselink.mil/home/features/Iraq_Reports/index.html)
- **Central Intelligence Agency, World Factbook**  
<https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

**Please forward all questions and/or comments to:**  
[NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov) or call 202-663-1584

***ISR Survey***

- 1. For what purpose(s) do you or your company/institution use the ISR?**
- 2. What sections of the new ISR do you find most useful? Least useful?**
- 3. Is there any information that you would like to see in the ISR that is not currently included?**
- 4. What improvements and/or additions do you recommend?**
- 5. Please use the following space to express any open-ended comments that you may have including how this version of the ISR compares with the old version:**